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Ms. Donna Searcy
Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: Ex Parte Presentation, CC Docket No. 92-77

Dear Mr. Searcy:

On July 29, I accompanied Alan Saltzman of Zero Plus Dialing, Inc. to a meeting with Jill Ross-Melzer, Associate Chief of the Common Carrier Bureau, and on July 30, Mr. Saltzman and I met with Colleen Boothby and Barbara Esbin of the Common Carrier Bureau Tariff Division. At the meeting, we discussed the enforcement problems associated with a policy of "0+ in the public domain" and previously stated positions in this docket. AT&T's competitors are continuing to suffer substantial harm as a result of the large volume of 0+ CIID calls which they receive but cannot process. This huge added expense, the costs of which cannot be recovered, threatens the continuation of effective competition. Moreover, it causes consumers confusion and inconvenience. A policy of "0+ in the public domain" is needed to separate the mutually exclusive concepts of 0+ dialing and IXC-proprietary calling cards. In a presubscription environment, these two ideas are incompatible.

Further, we discussed the fact that a policy of "0+ in the public domain" could be rendered ineffective if AT&T's proprietary CIID calling cards continue to operate as 0+ cards from most locations even after the policy is adopted. A program of consumer education aimed at instructing callers to dial 10288-0 before using the AT&T CIID cards will fail if the cards continue to work as a 0+ calling device for all interLATA calls made from AT&T presubscribed telephones (approximately 75 percent) and for all intraLATA calls made from any telephone. Under these circumstances, no incentives exist to encourage AT&T to pursue consumer education vigorously, nor is there any motivation for users of proprietary calling cards to begin using access code dialing. Additional measures seem to be necessary to ensure that

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consumers are not further confused and competition is not further harmed.

Several possible approaches to more effective enforcement were discussed. The screening of calls to separate 0+ dialed calls from 10288-0 dialed calls seems to be the best method of ensuring that proprietary cards are not used in a 0+ mode. Technological problems with this method, however, appear to make it impractical in the near term. Some other interim approach is needed until screening is available.

Another possible enforcement mechanism would be to require AT&T to reissue all existing CIID cards with slightly modified numbers. For example, one digit in each card could be changed. This procedure would emphasize to consumers the difference between the new dialing procedure and the present one and make users much more likely to avoid using 0+ calling with the proprietary cards.

The most effective enforcement mechanism for a "0+ public domain" policy, however, would be to direct AT&T to permit validation and billing of all 0+ dialed CIID card calls. In this approach, AT&T receives a substantial incentive to create an effective campaign to educate users of its proprietary card to dial 10288-0 rather than 0+. Moreover, AT&T would be motivated to develop expeditiously the screening capability needed to separate 10288 calls from 0+ calls. AT&T's failure to take these actions would cause it to lose traffic to its competitors, who would be able to validate and bill 0+ calls made with CIID cards. This approach also would alleviate the consumer and competitive harms of the current system. Consumers would not suffer the confusion of dialing 0+ and not completing their call, and IXCs would not be forced to process millions of call attempts they cannot complete.

Enforcement of the policy through opening of the CIID database for 0+ dialed calls could be accomplished easily and quickly. The validation database already exists and is accessible by all LECs. Because all OSPs are connected to the LEC networks, validation connections could be easily established.

Billing for 0+ CIID card calls carried by IXCs other than AT&T also could be available quickly by a simple requirement that AT&T expand the Mutual Honoring Agreement it has with the LECs to include other IXCs and billing clearinghouses. The terms and conditions of the IXC agreements would be similar, though not identical, to the

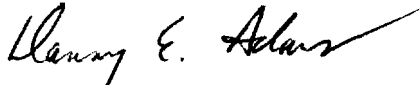
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MHAs. Negotiation of these validation and billing collection agreements should be under the FCC's supervision and consistent throughout the industry.

The contracts would need to be reasonable and non-discriminatory. Call records would be submitted by IXCs for billing in largely the same manner that such records are submitted to AT&T by the LECs, except that such IXCs would need to assign surrogate numbers to the final four digits of the originating number to avoid revealing proprietary customer information to AT&T. As is the standard practice in the industry, AT&T would agree to purchase the accounts receivable from IXCs and billing clearinghouses, subject to adjustments to reflect bad debt, uncollectible experience, unbillable messages and the like. All uses of the CIID validation database or billing services, of course, would require reasonable compensation to AT&T.

An original and two copies of this letter are hereby submitted to the Commission. Please call me if you have questions regarding these meetings.

Respectfully submitted,



Danny E. Adams

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cc: Colleen Boothby, Assoc. Chief
Tariff Division, Common Carrier Bureau
Jill Ross-Melzer, Assoc. Bureau Chief,
Common Carrier Bureau